

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
W. R. GRACE & CO., et al.,¹) Case No. 01-01139 (JJF)
)
Debtors.) (Jointly Administered)

**SUPPLEMENTAL AFFIDAVIT OF ANNE E. MORAN IN CONNECTION WITH THE
DEBTORS' EMPLOYMENT OF
STEPTOE & JOHNSON LLP AS SPECIAL TAX COUNSEL TO DEBTORS**

DISTRICT OF COLUMBIA)
) ss:

I, Anne E. Moran, being duly sworn, state as follows:

1. I am an attorney at law and a member of the bar of the District of
Columbia. I am a partner of the law firm of Steptoe & Johnson, LLP ("Steptoe"), which
maintains an office for the practice of law at 1330 Connecticut Avenue, N.W., Washington, DC

¹ The Debtors consist of the following entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food & Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc.), E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

20036. I make this Supplemental Affidavit to describe representation by Steptoe of certain clients of Steptoe that have some relationship with the Debtors.

2. Steptoe has previously informed the Debtor of the nature of its representation of Home Insurance Company (Home”), United States Fire Insurance Company (“U.S. Fire”) and TIG Insurance Company (“TIG”) as described in the Affidavit (and supplemental affidavits) filed with this Court. Debtors agreed to not disqualify Steptoe from any such unrelated work on behalf of Home, U.S. Fire and TIG as a result of Steptoe’s tax-related work and to allow Steptoe to represent it and Home, U.S. Fire and TIG on these unrelated matters.

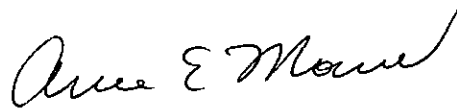
3. Steptoe explained to the Court in its prior Supplemental Affidavit dated January 17, 2006 (“prior Affidavit”) that it was in the process of informing Home, U.S. Fire and TIG as to the expanded scope of its representation of Debtors.

4. Steptoe has now confirmed that it no longer represents Home and as a result, will not be obtaining a waiver from Home for any additional work that it performs on behalf of the Debtors. Steptoe has informed Debtors that it no longer represents Home.

5. Steptoe has received new waivers from Debtors, in which Debtors agreed to not disqualify Steptoe from any such unrelated work on behalf of U.S. Fire and TIG as a result of Steptoe’s tax-related work for Debtors, and to allow Steptoe to represent it and U.S. Fire and TIG on these unrelated matters. Steptoe also received similar waivers from U.S. Fire and TIG in which those parties agreed not to disqualify Steptoe from any unrelated work on behalf of Debtors as a result of its work for U.S. Fire and TIG and to allow Steptoe to represent them and Debtors on these unrelated matters.

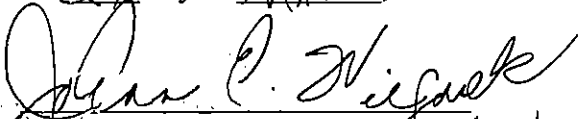
Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing
is true and correct.

Executed on 3/27, 2006.



Anne E. Moran

Subscribed and Sworn to before me
this 27 day of MAR, 2006



Notary Public

My Commission expires: 5/31/06